



Maritime HM&E Standardization

Configuration Management and Readiness Division

1 November 05



HM&E Standardization

...Not a new concept

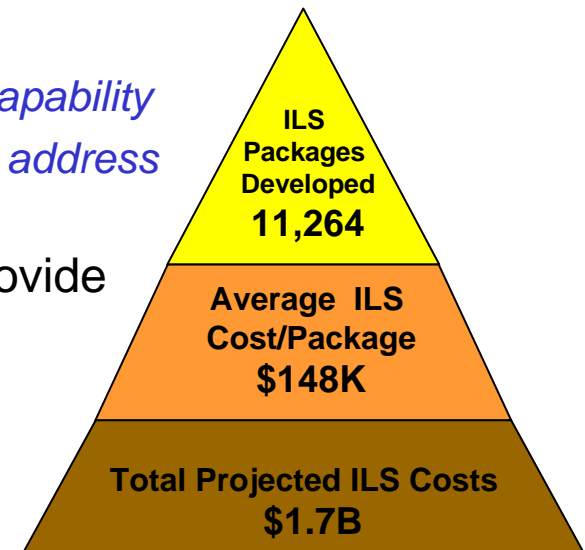


So why has there been limited success?

- Buy-in from Leadership
- No Enterprise approach
 - *Pocket attempts within different organizations*
- Legal/Regulatory Factors
- Acquisition strategies
- Advancements in technology

Background

- Proliferation of non-standard HM&E equipment has:
 - *Driven higher life cycle logistics support costs*
 - *Negatively impacted Fleet readiness*
- Navy Guidance
 - *Improve Readiness and Operational Availability*
 - *Reduce TOC through refinement of existing business processes and practices*
 - *Reduce the cost to develop, produce, field and sustain capability*
 - *Lean/Six Sigma...rapid implementation of innovations to address costly process deficiencies*
- Procurement/use of common HM&E equipment will provide efficiencies in business processes that include:
 - *Greater interoperability*
 - *Increased readiness*
 - *Lowered total ownership costs*

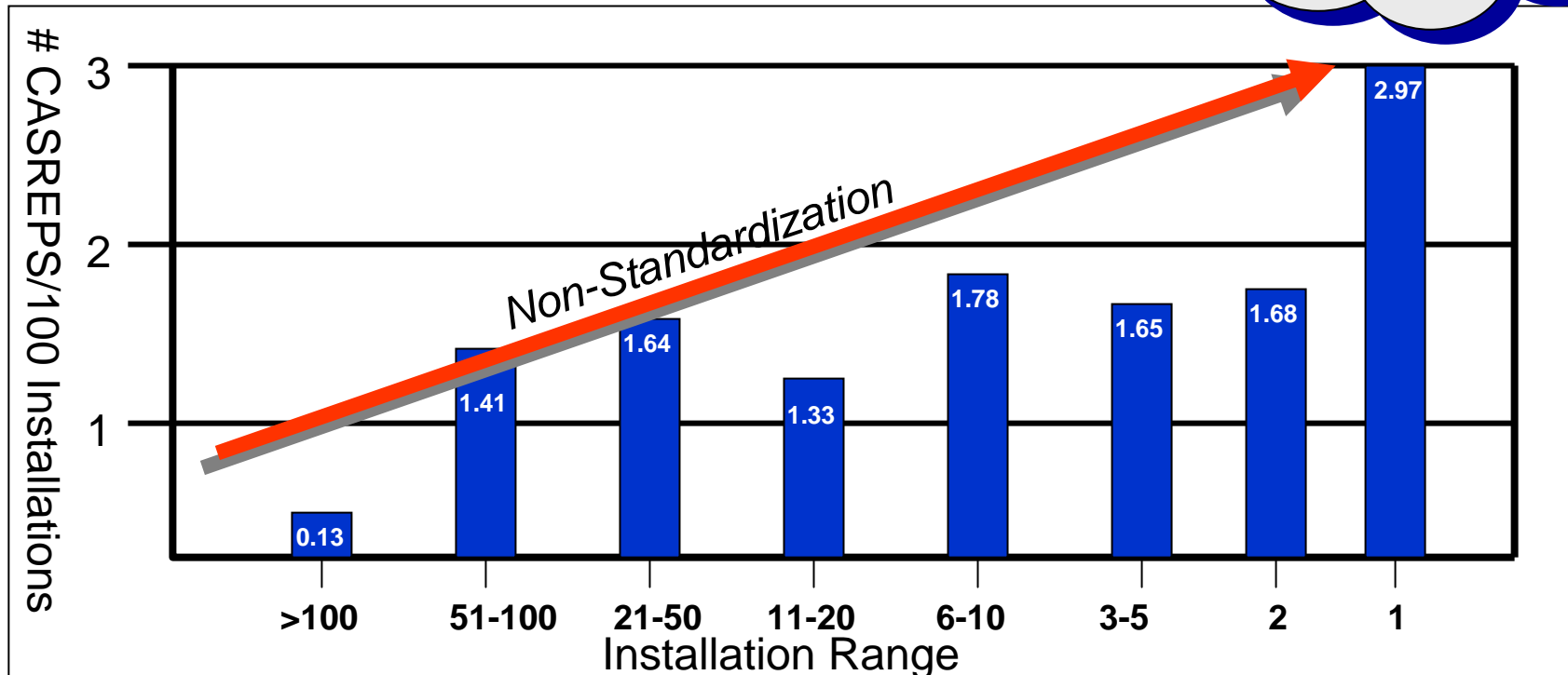


5 year data compiled
FY2000 thru FY2004

Impact of Low Density HM&E

- Proliferation of non-standard HM&E
 - *Drives higher life cycle logistics support costs*
 - *Negatively impacts readiness*

Approximately 51%
or 65K Equipment
Have 5 or fewer
Fleet installs



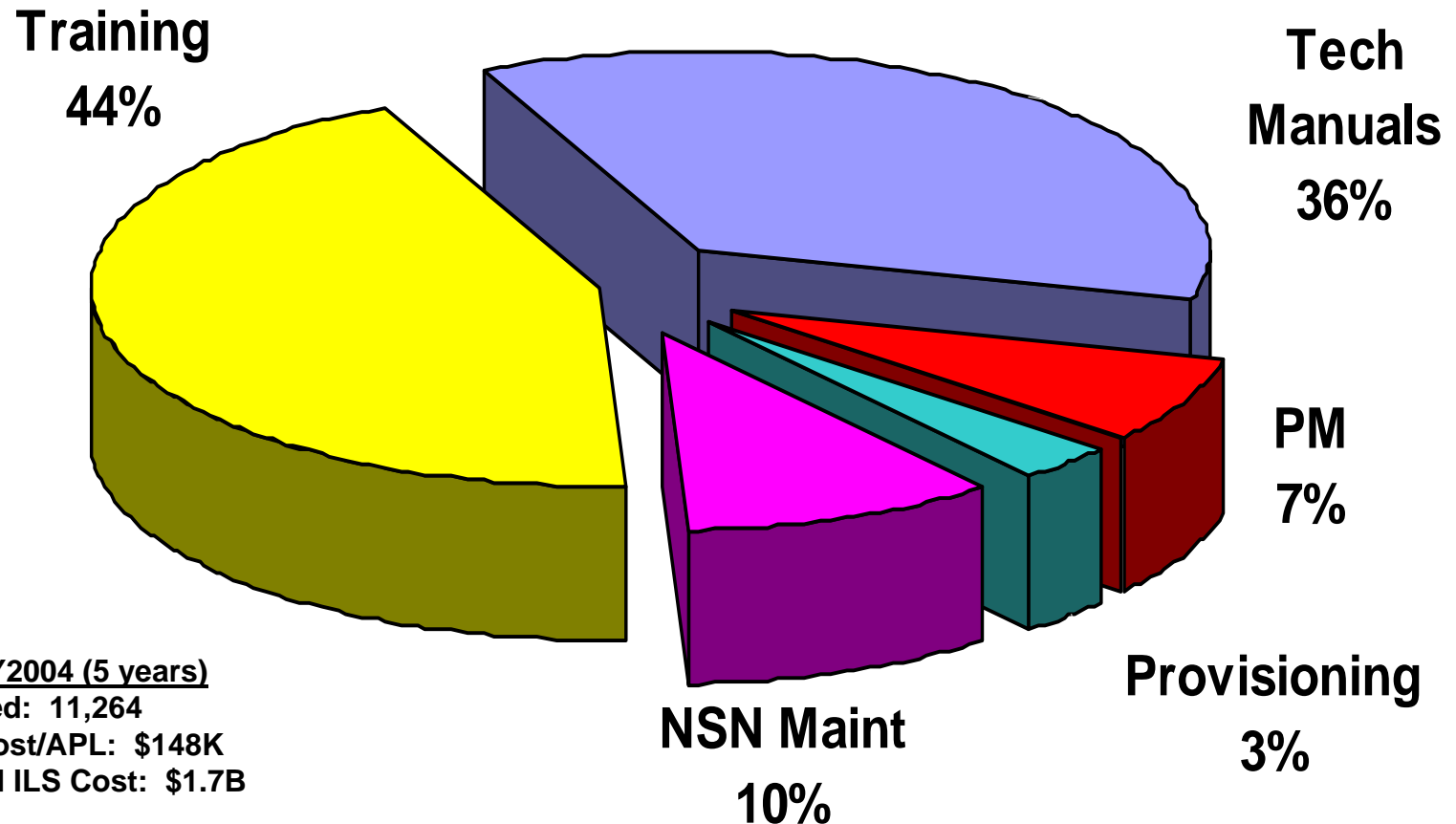
Costs



Readiness



Average ILS Cost per HM&E APL Introduction



FY2000 thru FY2004 (5 years)
APLs developed: 11,264
Average ILS Cost/APL: \$148K
Total Projected ILS Cost: \$1.7B

***Drives additional inefficiencies across
Maritime sustainment processes***



ExComm Purpose/Goals



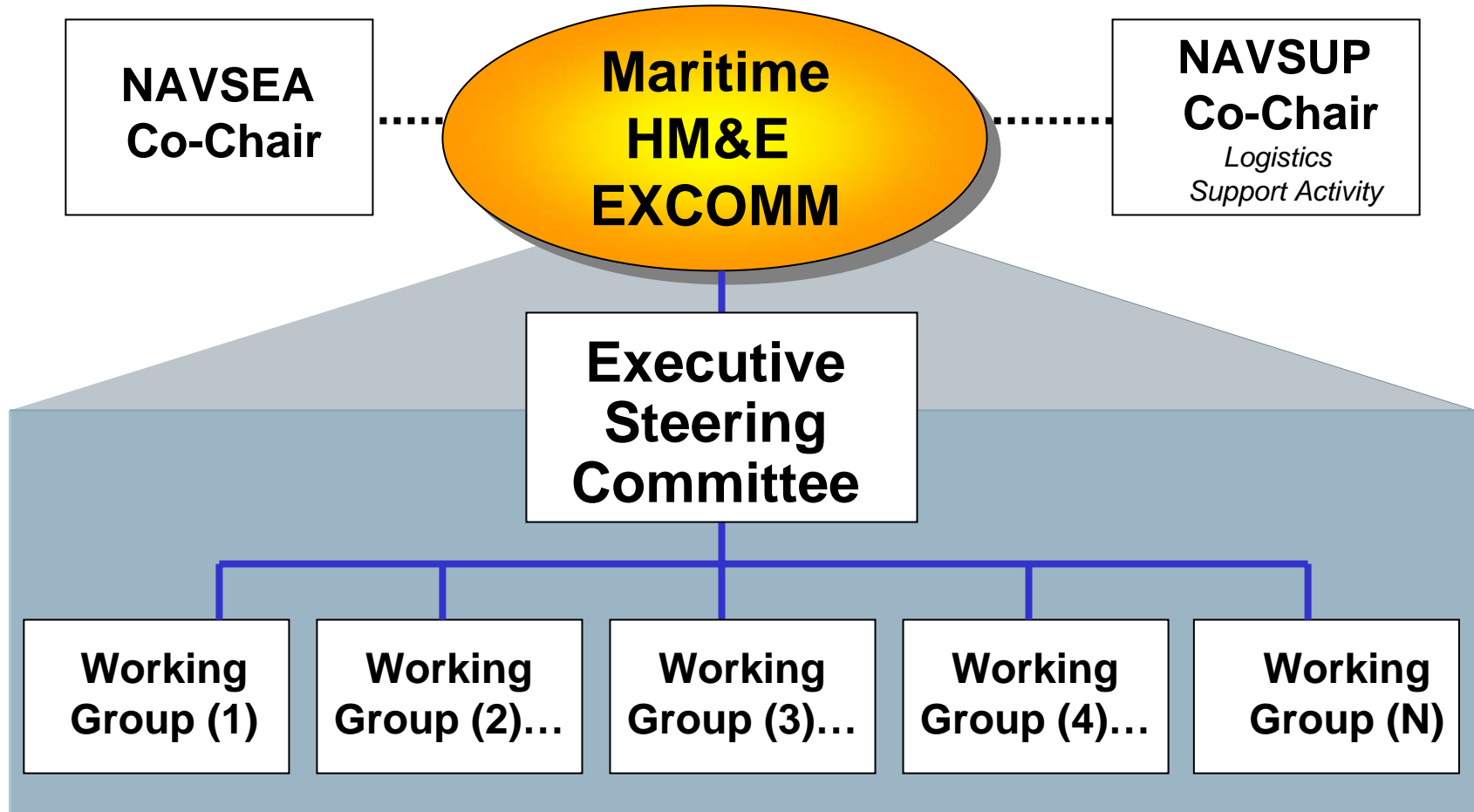
Purpose

- Serve as Maritime HM&E standardization authority
- Identify standardization opportunities
- Craft procurement strategies

Goals

- Increase Fleet material availability
- Dramatically reduce introduction of non-standard HM&E equipment to the Fleet
- Reduce overall life cycle costs associated with the introduction of non-standard HM&E
- Maintain or reduce procurement cost of HM&E for new construction, modernization and repair

EXComm Structure



Note: FACA prohibits direct Industry participation on the ExComm



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So why has there been limited success? A few Answers

- Buy-in from Leadership
- No Enterprise approach
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Maritime HM&E Standardization ...The Way Ahead



*Establish necessary
Commodity Vehicles*

*Increased
Readiness*

Reduced Life Cycle Costs

*Without impacting ship
construction/repair costs*

*Reinforce use of
Standard HM&E
at the Waterfront*

*Incentives/clauses
to encourage
Standardization*



Summary



More information on the
Maritime HM&E Standardization initiative
can be found on the following web page:
(beginning 4 November 05)

<http://www.nslc.navsea.navy.mil/hme/index.nsf>